



State of Utah

Department of
Natural Resources

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Division of
Oil, Gas & Mining

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November 8, 2004

Mr. James Barnes
Wembco, Inc.
20231 Orchard Street
Newport Beach, California 92660

Subject: Reclamation Delay, Wembco, D Tract, S/047/068, Uintah County, Utah

Dear Mr. Barnes:

On February 17, 2004, the Division wrote Mr. Larry Allred (Allred Paving) concerning reclamation and consolidation of operations at the referenced mine site. The letter said Mr. Allred should work with the inspector, Paul Baker, and other Division staff to determine the best ways for him to consolidate his operations and to reclaim those areas no longer needed. These issues are part of a Division Directive issued August 13, 2003, and modified by the February 17, 2004, letter.

Mr. Baker and Mr. Allred met at the site on October 26, 2004, to further discuss the reclamation and consolidation requirements. Asphalt from the mine is no longer being processed outside the "mixing area" as shown on the June 6, 2003, map included with the reclamation contract and the Notice of Intention to Commence Small Mining Operations (SMO). The "processing" and "recycling" areas are only being used for recycling asphalt, and the Division does not consider this to be primary processing. Therefore, these areas are no longer considered part of the mining operations as defined in the R647 regulations.

At the meeting on October 26, 2004, Mr. Allred requested that the Division allow until the end of January 2005 to complete the reclamation work. The reason for this is that there are negotiations to sell the property, and, if the sale occurs, the new operator would likely mine the area that needs to be reclaimed. Mr. Allred does not want to reclaim this area only to have it re-disturbed. The area needing to be reclaimed is a 0.76-acre area labeled "reclaimable area" on the map.

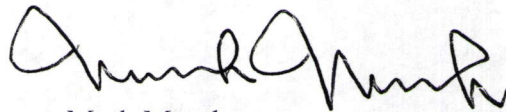
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The Division approves the requested delay in reclaiming the area west of the mine pit. *However, the Division will not approve transferring the SMO if requirements of the Division Directive are still outstanding.* Two options would be available if the property is sold and a new operator desires to begin mining operations:

- 1) The area in question could be reclaimed prior to the transfer, or,
- 2) The new operator could submit a Notice of Intention to Commence Large Mining Operations (LMO).

We appreciate the cooperation you and Mr. Allred have shown. If you have any questions or concerns about this letter, please call Daron Haddock at 801-538-5325.

Sincerely,



Mark Mesch
Acting Associate Director of Mining

MM:PBB:jb
Enclosure: Inspection report/w photos & map
cc: Larry Allred - w/encl
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